

MINUTES OF THE  
HIGHER EDUCATION APPROPRIATIONS SUBCOMMITTEE

MONDAY, JANUARY 24, 2005, 2:00 P.M.

Room W020, West Office Building, State Capitol Complex

Members Present:            Sen. Greg Bell, Co-Chair  
                                 Rep. Kory M. Holdaway, Co-Chair  
                                 Sen. Carlene Walker  
                                 Sen. Ron Allen  
                                 Rep. Sheryl Allen  
                                 Rep. David Clark  
                                 Rep. Bradley Daw  
                                 Rep. Margaret Dayton  
                                 Rep. Gregory H. Hughes  
                                 Rep. Susan Lawrence  
                                 Rep. Scott L. Wyatt  
                                 Rep. Patricia W. Jones  
                                 Rep. Carol Spackman Moss  
                                 Rep. LaWanna "Lou" Shurtliff

Members Excused:            Sen. Peter Knudson  
                                 Sen. Dan Eastman

Staff Present:                Boyd A. Garriott, Senior Legislative Fiscal Analyst  
                                 Debra Headden, Legislative Fiscal Analyst  
                                 Rolayne Day, Secretary

Public Speakers Present:    Commissioner Richard Kendell  
                                 Pres. Bob Huddleston, Dixie State College  
                                 Pres. Stan Albrecht, USU  
                                 Kevin Walthers, Assistant. Commissioner, USHE  
                                 Gar Eliason, Utah Medical Education Council  
                                 Kim Wirthlin, UU Health Sciences  
                                 Larry Hancock, Altius Health Plans, & Utah Hospital Association  
                                 David Gessel, VP Utah Hospital Association  
                                 Betty Damask-Bembenek, Nursing Division Chair, SLCC  
                                 Paul Brinkman, Associate VP of Academic Affairs, UU  
                                 Pres. Mike Bouwhuis, DATC  
                                 Pres. Ann Millner, WSU

A list of visitors and a copy of handouts are filed with the committee minutes.

Committee Co-Chair Holdaway called the meeting to order at 2:02 p.m.

1. Performance and Accountability Continued—Dixie State College—Pres. Robert Huddleston distributed a copy of Dixie's Overall Report Card showing letter grades for fourteen core indicators : 1) student goal attainment; 2) persistence (fall to fall); 3) degree completion rates; 4) placement rate in the workforce (80%-90%); 5) employer assessment of students (91% satisfaction); 6) licensure/certification pass rates; 7) client assessment of programs and services; 8) demonstration of critical literacy skills; 9) demonstration of citizenship skills; 10) number and rate who transfer; 11) performance after transfer; 12) success in subsequent, related course work; 13) participation in service area; and 14) responsiveness to community needs. Dixie rates high (A to B+) in all of the indicators except persistence and demonstration of critical literacy skills where they are slightly above average (C+). Pres. Huddleston noted that Dixie measures against itself, not national averages. The indicators were taken from the American Association of Colleges and the budget is driven by the results.

State Board of Regents—Commissioner Richard Kendell distributed a document entitled *USHE Measuring Utah Higher Education 2005*. The document will be on-going and is a good benchmark. The document shows that there are more and more technology-driven courses available in higher education and that the Concurrent Enrollment Program is a great success, one of the best in the country. Community college tuition is a little high with the WICHE average (minus California) at \$1,846 and Utah at \$2,035. Need-based student aid is below the national average, so the USHE wants to put some portion of the first-tier tuition increase toward student aid. The USHE is ranked first nationally in educational outcomes relative to total funding per FTE student (study by Dennis Jones, National Center for Higher Education Management Systems, 2004).

Commissioner Kendell said Utah's institutions are led by dynamic leaders who have all reported on their own accountability and monitoring systems. Sen. Bell asked why Utah is so low in the number of educated adults as recent statistics show when the state was previously at the top to middle. Commissioner Kendell said about 25 percent of adults in Utah have bachelor's degree and actual statistics run contrary to what the predominant feeling is about Utah's educated population. Utah is unique in that many students don't go to college right out of high school, and Commissioner Kendell isn't sure if that anomaly is figured into the statistics correctly. Utah also has the highest number of people per household working, so it takes students longer to complete a degree. Another consideration is that graduation requirements are increasing. For example, students usually cannot complete a four-year nursing degree in four years because they have to work to go to school and they don't have the time to take high class loads.

Rep. Clark said he would like to see common accountability measures among the institutions for core curriculum, at least by category of institution. Rep. Holdaway agreed and would like to see a common report from each institution for comparison. Rep. Clark expressed concern about need-based student financial aid and how taking longer to graduate affects that aid. Commissioner Kendell said nursing and engineering degrees usually take more than four years to complete. Institutions have reduced the number of courses and/or sections offered because of budget cuts, and that has impeded student progress in some cases. The budget proposal is to include ½ of 1 percent from first tier tuition for need-based aid plus \$1.5 million from the Legislature for a total of \$3 million. He noted that taking money for student aid from tuition increases isn't a unanimous point of view.

**MOTION:** Motion Sen. Walker moved to approve minutes of the January 19, 2005, and January 20, 2005, meetings.

The motion passed unanimously with Rep. Hughes absent for the vote.

Sen. Walker would like to see all institutions use the core indicators used by Dixie because they are workforce related and institutions need input from business and industry. Commissioner Kendell said dialogue among business, industry and higher education is vigorous with a web of workforce and business advisory committees at the institutions. A number of disciplines have workforce measures that are easy to attain; certification and other types of data are available. However, many disciplines, like English, are not articulated for work; there aren't measures across the board for each indicator. Rep. Daw expressed concern about the percentage of remedial courses. Commissioner Kendell said the percentages are pretty remarkable, but the actual numbers are not.

2. Fiscal Analyst's Overview of Recommendations for USHE, UCAT, UEN and UMEC—Analyst Debra Headden discussed how the Budget Book is arranged and what information is available. Rep. Holdaway encouraged the Subcommittee to become familiar with the Issue Briefs.
3. Housekeeping Issues—Water Research Lab Mineral Lease Funds—Ms. Headden directed committee members to Tab 3, Issue Brief 1 in the Budget Book. USU's Water Research Lab annually receives an allocation of 2.25 percent of the royalties deposited to the Mineral Lease Account. Projected royalties for FY 2006 are \$74.5 million; the Water Research Lab's portion is \$1,676,200, an increase of \$880,200 over FY 2005. The Analyst recommends an appropriation from the Mineral Lease Account of \$880,200 for the Water Research Lab for FY 2006.

Conversion of 05 one-time funding for Climate Center—In FY 2005, the Utah Climate Center at USU received \$300,000 with \$180,000 in one-time funding to operate the Center. The Analyst recommends that the one-time funding of \$180,000 be moved to an on-going appropriation for FY 2006.

Allocation of 05 Engineering and Nursing Initiatives Funding—The Analyst recommends that Engineering and Nursing Initiative funding be allocated to USHE institutions as supplemental funding for FY 2005 and ongoing for FY 2006. The money was appropriated to the Board of Regents and needs to be allocated to institutional base budgets for FY 2005. Specifically, the Analyst recommends that \$503,100 in Engineering Initiative funding be allocated to the institutions as follows: University of Utah, \$208,300; Utah State University, \$113,700; Weber State University, \$35,200; Southern Utah University, \$30,200; Snow College, \$20,100; Dixie State College, \$20,100; College of Eastern Utah, \$20,100; Utah Valley State College, \$35,200; and Salt Lake Community College, \$20,200.

Based on FY 2005 intent language, the Analyst recommends that the Nursing Initiative funding be allocated to institutional base budgets as follows: University of Utah, \$150,000; Utah State University, \$100,000; Weber State University, \$75,000; Snow College, \$50,000; Dixie State College, \$75,000; College of Eastern Utah, \$50,000; Utah Valley State College, \$75,000; and Salt Lake Community College, \$100,000.

USU Internal Reallocation—The Analyst recommends an internal reallocation of USU E&G General Funds for the Brigham City Continuing Education Center (\$1,044,100) and the Tooele Continuing Education Center (\$68,600).

4. Operation & Maintenance of Facilities—Ms. Headden said O&M is important in the approval process of new and renovated buildings. Last year intent language said O&M was to come from tuition increases. The Analyst feels this needs to be revisited for buildings that came on line last year because the language unfairly penalized institutions. With O&M not funded, institutions have had to use money from instructional budgets for O&M. The only building not recommend is SLCC's Larry H. Miller Building #6. Analyst Boyd Garriott said O&M funding for that building should be postponed until major decisions can be worked out among the three entities that will share the facility. Assistant Commissioner Kevin Walthers distributed a handout showing O&M expenditures for FYs 1988 to 2003. The USHE has now spent \$5.2 million above appropriated funds on O&M. It is important to take care of the buildings or they will need replacement. The Analyst recommends funding \$2,444,400 for O&M for facilities that came on line during FY 2004 and 2005. They further recommend an appropriation of \$2,259,500 for FY 2006 O&M for a total of \$4,703,900.

**MOTION:** Sen. Allen moved to fund \$4,703,900 for O&M as recommended by the Analyst.

Rep. Holdaway asked if the motion would be subject to prioritization with other priorities. Sen. Allen accepted that clarification. Discussion was heard from Sen. Walker and Reps. Wyatt and Lawrence.

Rep. Holdaway restated the motion that the Higher Education Appropriations Subcommittee's intent is to fund O&M at \$4,703,900 as recommended by the Analyst.

The motion passed unanimously with Reps. Clark and Shurtliff absent for the vote.

**MOTION:** Rep. Wyatt moved to take care of housekeeping items as follows: fund USU's Water Research Lab at \$880,200 from the Mineral Lease Account; move one-time funding for the Utah Climate Center at \$180,000 to an on-going appropriation; allocate Nursing and Engineering Initiative funding as recommended by the Analyst; and transfer \$1,044,100 to the Brigham City Continuing Education Center and \$68,600 to the Tooele Continuing Education Center from USU's E&G budget.

The motion passed unanimously with Rep. Clark absent for the vote.

5. Utah Medical Education Program (UMEP)—Ms. Headden said the UMEP budget is administered by the Utah Medical Education Council (UMEC) and was formerly heard in the Health and Human Services Subcommittee. The only request is \$300,000 to expand intern and residency training programs in family practice, general surgery, internal medicine, pediatrics, and OB/GYN. The Analyst does not recommend this request because S.B. 119 by Sen. Knudson will address the issue. Mr. Garriott noted, however, that if the bill passes, it will have to be prioritized in the higher education budget.

Gar Eliason, Utah Medical Education Council, discussed why the Council was created and some of its accomplishments. The administrative budget comes from dedicated credits from hospitals that conduct the residency

programs. S.B. 119 addresses specific health care needs such as the lack of health professionals in rural areas. It will also give statutory legality for Workforce Services to share necessary data with UMEC and provide money to create the Rural Training Track for physicians in rural practice. Funds would be used to write new curriculum and for the application packet to the residency accreditation body to gain approval for the program. Accreditation approval for family practice requires two separate exam rooms and some of the rural hospitals do not have funding for that. The money would also cover travel and other front-end costs like housing.

6. Nursing Initiative—Mr. Garriott said the Analyst recommends that \$1.5 million be appropriated to the Nursing Initiative if funding becomes available. Reflected in that figure is \$1.0 million of ongoing General Funds and \$0.5 million in one-time funding from the General Fund. In support of this initiative, Intermountain Health Care and others from the health care industry are willing to donate \$1 million a year over the next five years. The objective is to try and place more students in health care programs throughout the state. Utah is unique because there is abundance of students who want to be nurses. Across the country, the nursing industry is having a hard time holding employees in the profession. Mr. Garriott noted that most of the new nursing hires in the US are either foreign born or over age 50 and are coming back into the work force. Utah's graduation rates increased 26 percent for associate degree RNs and 32 percent for baccalaureate degree RNs from 2001 to 2004. The interesting statistic is that in Utah last year alone there were over 2,000 students that applied for 700 positions. It could be a duplicated headcount, but nonetheless, it is remarkable.

The Analyst recommends expanding the number of offerings without increasing bricks and mortar. Last year intent language directed higher education to "... maximize State resources through increased support of the two-year RN nursing programs to reduce the workforce shortages." The Analyst recommends that this intent language be adopted for FY 2006. The Analyst recommends Nursing Initiative allocations as follows: University of Utah, \$366,800 (\$122,200 one-time and \$244,600 one-time); Weber State University, \$247,700 (\$82,600 one-time and \$165,100 one-time); Southern Utah University, \$112,500 (\$37,500 one-time and \$75,000 one-time); Snow College, \$112,500 (\$37,500 one-time and \$75,000 one-time); Dixie State College, \$187,800 (\$62,600 one-time and \$125,200 one-time); College of Eastern Utah, \$112,500 (\$37,500 one-time and \$75,000 one-time); Utah Valley State College, \$112,500 (\$37,500 one-time and \$75,000 one-time); and Salt Lake Community College, \$247,700 (\$82,600 one-time and \$165,100 one-time). The Analyst also recommends that if additional funding becomes available, needs in nursing programs at UCAT institutions be considered.

Rep. Dayton endorsed the CNA and LPN programs that UCAT offers to address the nursing shortage. She would like an updated recommendation about how the Analysts Office would include funding for UCAT. Rep. Shurtliff said the key to alleviating the shortage is getting enough trained faculty. Pres. Huddleston concurred and said bachelor's degree programs need a director with a doctorate, and the faculty must have master's degrees. Kim Wirthlin, UU Health Sciences, said money coming to the UU will be used to prepare both masters and doctoral students so they can teach.

David Gessell, VP Utah Hospitals Association, said the proposal is a two-to-one match; the hospitals feel that providing nurse educators is a State issue not a private one. Although each side would not have control over how the other spent the money, a report would be given yearly. Larry Hancock, Chair, Utah Region Hospital Association and ALTIUS Health Plans, said his company has had to go to India to fill positions in hospitals around the country. This hasn't happened in Utah yet, but the shortage is real. Last week, one hospital in Utah had 22 open nursing positions.

Rep. Dayton spoke favorably for a one-to-one match rather than two-to-one. Rep. Lawrence suggested a tuition differential for nursing students since it is such a high-cost program. Paul Brinkman, UU Budget Director, said differential tuition for masters and doctoral programs already exist, but institutions are reluctant to do this at the undergraduate level. Doing so has potential to ration careers to those with the ability to pay. Mr. Garriott said the Analyst has avoided suggesting differential tuition for undergraduates because it might discourage people from exploring possibilities.

Betty Damask-Bembenek, SLCC Nursing Division Chair, distributed a proposal that nursing leadership across Utah feels will increase the number of nursing students. SLCC alone has over 500 students who are ready to take nursing courses, but there is no space for them. Enrollment is full until Fall 2008, but by that time students may pick another field rather than put careers on hold that long. She also noted that most of SLCC's students are on financial aid and/or

working at least part time to get through school. Nursing students already pay additional course fees that other students don't pay, so a differential tuition could be a disincentive. Rep. Wyatt would like the institutions to put more effort into getting matching funds for nursing programs.

Pres. Darrell White said UCAT trains over 150 LPNs each year, and 100 percent of them are placed. They could place more if programs were expanded with additional funds. UCAT also trains about 2,000 CNAs a year in a 90-hour program; these graduates are often placed in long-term care facilities that RNs aren't interested in. Pres. Mike Bouwhuis said DATC nursing students typically go to work as LPNs and then 90 percent are accepted into Weber's program. UCAT institutions also receive money as part of the match program.

Pres. Ann Millner, Weber, said it has been hard to get money into high-cost programs with recent budget cuts. Another piece of the demand issue is that a lot of the nurses are retiring and the need to care for baby boomers is coming.

Debra Burcombe, Utah Health Care Association, said the aging population is alarming because of the nursing shortage. They are not finding enough RNs to fill the management roll that is required by law. The long-term health care profession has been offering scholarships to help ease the shortage, but they will need to do more.

**MOTION:** Rep. Wyatt moved to adjourn.

Committee Co-Chair Holdaway adjourned the meeting at 4:57 p.m.

Minutes were reported by Rolayne Day, Secretary.

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Sen. Greg Bell, Committee Co-Chair

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Rep. Kory M. Holdaway, Committee Co-Chair